

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Fall River Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: June 29, 2017

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made, on average, on October 1 of each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenza, at (617) 666-4446, extension 921.

Enc.



Alternative 2
7.5% Investment Return
6.5% Total Increasing

Fall River Retirement System
January 1, 2017 Actuarial Valuation

Total Appropriation Increasing 6.5% until FY34 with a Final Amortization Payment in FY35

Fiscal Year	Normal Cost	Net 3(8)(c)	Amort. of UAL	Amort. of 2002 ERI	Amort. of 2003 ERI	Total Cost	Unfunded Act. Liab.	Increase in Total Cost
2018	5,987,835	1,500,000	20,481,160	736,769	57,236	28,763,000	368,350,102	
2019	6,257,287	1,500,000	22,081,708	736,769	57,236	30,633,000	373,511,548	6.5%
2020	6,538,865	1,500,000	24,527,898		57,236	32,624,000	377,370,056	6.5%
2021	6,833,114	1,500,000	26,411,886			34,745,000	379,712,945	6.5%
2022	7,140,604	1,500,000	28,362,396			37,003,000	380,302,652	6.5%
2023	7,461,932	1,500,000	30,446,068			39,408,000	378,877,011	6.5%
2024	7,797,718	1,500,000	32,672,282			41,970,000	375,144,261	6.5%
2025	8,148,616	1,500,000	35,049,384			44,698,000	368,780,857	6.5%
2026	8,515,304	1,500,000	37,587,696			47,603,000	359,430,176	6.5%
2027	8,898,492	1,500,000	40,298,508			50,697,000	346,697,945	6.5%
2028	9,298,924	1,500,000	43,193,076			53,992,000	330,148,405	6.5%
2029	9,717,376	1,500,000	46,283,624			57,501,000	309,301,225	6.5%
2030	10,154,658	1,500,000	49,584,342			61,239,000	283,627,144	6.5%
2031	10,611,617	1,500,000	53,108,383			65,220,000	252,542,223	6.5%
2032	11,089,140	1,500,000	56,869,860			69,459,000	215,404,837	6.5%
2033	11,588,152	1,500,000	60,885,848			73,974,000	171,510,339	6.5%
2034	12,109,618	1,500,000	65,172,382			78,782,000	120,083,202	6.5%
2035	12,654,551	1,500,000	61,362,073			75,516,625	60,272,806	-4.1%
2036	13,224,006	1,500,000				14,724,006	0	-80.5%

Appropriation payments assumed to be made on average on October 1 of each fiscal year
Normal cost assumed to increase 4.5% per year
FY18 amount maintained at level of prior funding schedule